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Advanced GPB



EXHIBIT 1704.R

EXHIBIT 1704.R-001

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GOOG-PLAY-004683869.R

Agenda

More detail about AGPB - we believe it is largely sufficient for devs outside those who will qualify for Modular.

- Product
 - Fits with other “tiers”
 - General Principles
 - Features
- Developers - Will we need to broaden MGPB criteria, or is AGPB sufficient?

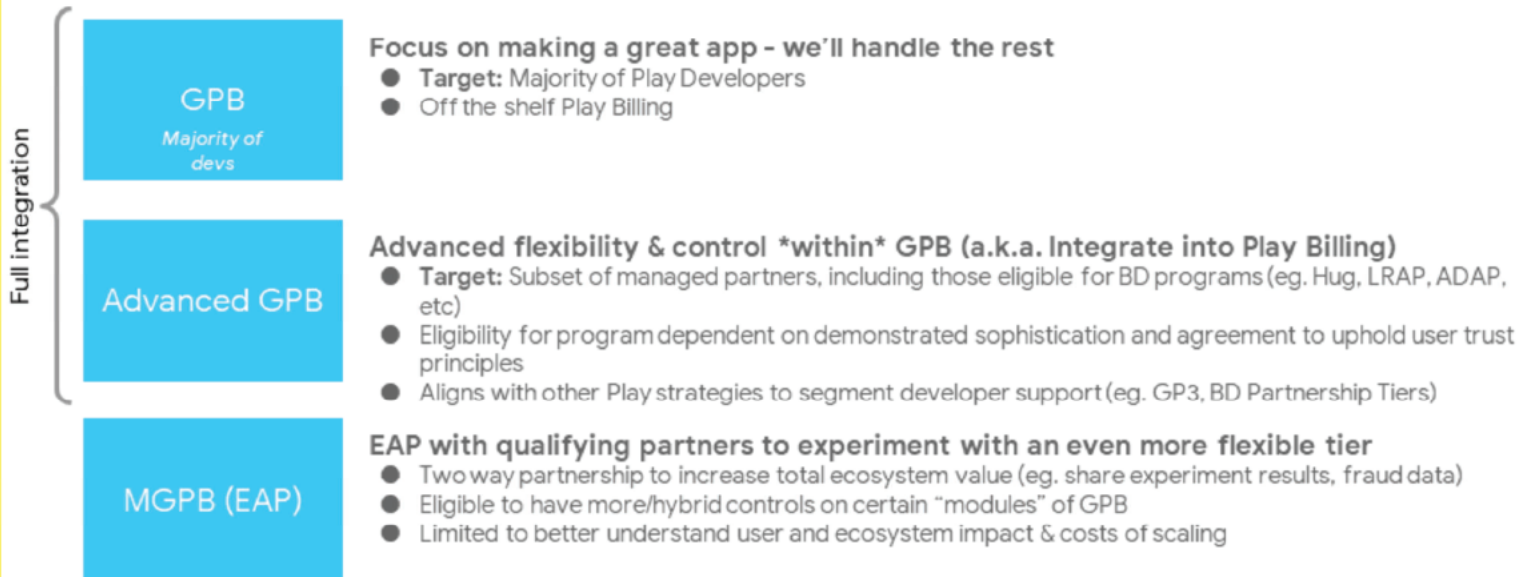
Discussion

- How should we proceed? Time is short.
- Options
 - AGPB ---> YT would need to accept short term feature deficiencies.
 - Mirrored ---> could start here, discuss whether to migrate to AGPB over time



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Product: Framing once MGPB is announced



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Slide 3

- 1 **probably a subset, but would love your thoughts.**
Mrinalini Loew, 11/5/2020
- 2 **Agreed, a subset makes sense.**
Carolyn Kang, 11/6/2020
- 1 **@Mrinalini Loew (Google) All managed partners, or only a subset of managed partners who meet other criteria (eligible for program, will uphold user trust, etc.)?**
Carolyn Kang, 11/6/2020
- 2 **Adjusted language to "target" and added subset language -- WDYT? @Danielle Stein (Google) too.**
Mrinalini Loew, 11/6/2020

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Product: General Principles

- Goal: give more flexibility & control within Play Billing to large, sophisticated developers who invest heavily in their own business optimization strategies & infrastructure (eg. offer/targeting systems)
- Who has access:
 - Developers with size, scale or proven sophistication
 - Developer with strong user trust, including alignment with Play's own user trust principles
 - (TBD) Part of a BD-program
- AGPB tiering is permanent, but just like stock Play Billing, the feature set within it can evolve:
 - Open to adding flexibility to additional areas in Play Billing, in a "platform-tized" way
 - AGPB "exclusive" features may eventually roll out to broader dev community
- AGPB will not offer Modular's ability to process payments or consider features that erode user trust principles
- Still open: Data Sharing -- how much are we willing to share with 3P AGPB devs?
 - e.g. Cart/FOP conversion rates, more detailed churn data



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Product: Features

Initial list compiled from discussions with key partners (eg. Sling, Hulu, Disney) and YT needs. Phasing reflect current plans based on developer commitment to integrate with GPB.

Green = Phase 1: Committed & available before Sept '21

Black = Phase 2: TBD availability

Focus Area	Problem Solved	Features
Flexible Pricing & Offers	Complements developer's own offer system so they don't have to pre-define every possible combination with Play. Offers communicated "run-time" to Play purchase flow.	<ul style="list-style-type: none"> ● Bundles/Add-Ons* (Q1 21) ● Per Transaction Pricing (Q1 21) ● Dev-Determined Proration (Q1 21) ● Non-auto-recurring subscriptions* (Q2/Q3 21)
Business Optimization Controls	Developer has controls to optimize business decisions to balance of user acquisition, revenue, churn & costs.	<ul style="list-style-type: none"> ● Opt-Out Price Increases (Q4 20 - Q1 21) ● Dev-Determined Trial Eligibility (Q1 21) ● FOP Ordering / Curation ● FOP-less Free Trials ● FOP-gated Offers ● Custom cancel survey support ● Carrier Deals / Integrated Billing
Multi-platform Experiences	Better user experience for developers with strong multi-platform user experiences.	<ul style="list-style-type: none"> ● MP Upgrade/downgrade policy + API (Q1 21)
YT specific APIs	Interfaces for 1P specific issues (e.g. GAIA)	<ul style="list-style-type: none"> ● APIs for integration (1 QTR from when they engage)

*Feature may extended to Stock Play Billing, but will initially roll out only to AGBP developers as Beta



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Slide 5

- 4 cc @Priyanka Singhal (Google)
Mrinalini Loew, 11/6/2020
- 1 Would this phasing change to accommodate YT?
Paul Feng, 11/6/2020
- 1 Ideally no. But if there is a sticking point, perhaps we can negotiate - just puts additional burden on the team to deliver by sept , which they should be expecting as the "massive YT" train
Priyanka Singhal, 11/6/2020
- 3 @Paul Feng (Google) @Raghavendra Hareesh Pottamsetty (Google) Priyanka & I took a stab at "phasing" -- WDYT?
Mrinalini Loew, 11/6/2020
- 1 We could do it depending on staffing.
Raghavendra Hareesh Pottamsetty, 11/6/2020

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Response to Hold Out Developers

Before Modular launch

Segment	Examples	Offer mGPB?
Invested in own billing platform	Amazon	Working through policy & broader deal
	Match Badoo	No ≤ 10M subs, not strategic to platforms
Concerned about FOP coverage	Regional players	No Improve GPB product

Post Modular launch

Segment	Examples	Offer them mGPB?
Partners close to criteria	Disney	When they hit objective criteria; ~65M subs on Disney+
Strategic Partners, not close to criteria	Large Game Devs	When they hit objective criteria
	MSFT	When they hit objective criteria; >200M Office (largely B2B)
	Carriers / Operators	Exploring commercial & policy remedies



What does AGPB integration look like for YT

At launch in Sept 2021: YT integrated with Play Billing

- Not at full feature parity w/ YT today - **viability needs to be vetted with YT**
- 100% launched for YT Music, YT Premium, YT TV
- If needed, slower ramp on others for flexibility of experimentation

For this integration AGPB will fulfill significant portion of YT asks

- Q1 2021: Flexibility in pricing and offers + multi-platform support

What is not available until after Sept:

- Data Sharing, FOP related flexibility
- Post-Txn optimizations like Custom CancelSurvey, FixFOP, Budgeting flows.
(while these will not be ready for Sep 2021, could be fast follows, but there is a case for some of these to rely on existing Play flows.)
- Edge cases like Family, Play country, YT country may not be perfectly resolved.



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AGPB integration - possible path to Sept 2021

Possible path to Sept - **requires further vetting with YT**

- **Q4 - YT Planning**
 - [Play] V1 features (WIP) and YT interfaces Q4 -Q1
 - [YT] Design and product engagement with Play eng to get ready for Q1 work
- **Q1 - Eng integration**
 - [YT] Start eng Integration with AGPB
 - [Play] Continue to build the AGPB features and support YT eng through integration
- **Q2 - Start ramps** for P0 SKU's
 - Ideally by July - to buffer for late issues etc
 - Additionally Play will need to start enforcement prep decisions which may get blocked on YT status.
- **Q3 - Launch**
 - Play and YT engage on post launch features.
 - Complete any remaining launches
- Recommend starting with static SKUs...



APPENDIX

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Agenda: Advanced GPB + YT

Central Thesis: No developers left who won't sign on because of *features*.

- Product
 - General Principles
 - Features + Phasing
 - Framing against MGPB
- Developers
 - Hold-Outs + Notable Devs -- any concerns on product features?
 - Who would push to make it closer to MGPB?
 - Who would agitate once they see MGPB EAP in the wild?
 - Recommendations for initial list (top half, bottom half determining cut line)

Not today:

- Precise eligibility criteria AGPB
- Recommendations on how "public" to make AGPB
- Alignment & positioning with other product tiering initiatives (e.g. GP3) & commercial programs (eg. LRAP, AVP)
- POV on AGPB + Games Developers



Slide 10

- 6 Non-M&E, developers that feel they would lose a key capability to move to GPB.
Mrinalini Loew, 11/5/2020
- 5 LRAP++, strategic hold outs for LRAP (not necessarily all).
Mrinalini Loew, 11/5/2020
- 7 AVP, ADAP.
Mrinalini Loew, 11/5/2020
- 8 How to think of: purchase flow conversion, fop coverage, overall churn rates. Are these "product features"?
Mrinalini Loew, 11/5/2020
- 1 product performance?
Danielle Stein, 11/5/2020

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What are we hearing from devs?

Theme	[Status] Asks
Platform Fundamentals	<ul style="list-style-type: none"> ● Better Conversion / Initial Auth (Many) ● Churn Rates (All) ● FOP Coverage (Many, esp. in APAC, MENA, LATAM) ● Fraud Concerns (D+, ESPN, NimoTV, Viber) ● [REDACTED] (NBA, [REDACTED]) ● More Flexible Tax Control (EU News/Books Apps, EU Competitors of Spotify/Netflix)
Flexible Price / Offer / Promo Strategies	<ul style="list-style-type: none"> ● <u>Prepaid Subs</u> (Spotify, YT, APAC Devs) ● Bundles / Add Ons (Sling, Hulu, D+, Canal+, YT) ● Promo code support beyond free trials (Available on iOS) ● Opt-out <u>price increases</u> (Sling, Hulu, D+, YT) ● Dev-Determined Eligibility for Trials (Sling, Hulu, YT) ● Dev-Determined proration strategies, new proration modes (Sling, Hulu, YT, Age of Learning) ● FOPless Free Trials (Nest, G1) ● Carrier / Partnership Deals (Spotify, G1, YT, Playpass)
Multi-Platform Development / User Experiences	<ul style="list-style-type: none"> ● Minimal catalog / offer syncing, aka Per Transaction Pricing (Sling, Hulu, Hotstar, YT) ● Easy x-platform upgrade/downgrades (Spotify, Netflix, YT) ● Developer's own sub center as source of truth (Spotify)
UX Control	<ul style="list-style-type: none"> ● FOP controls like ordering & curation (Spotify, APAC subs devs, YT) ● In-app cancel + dev-controlled interventions (Spotify, YT)
Data / Insights	<ul style="list-style-type: none"> ● Buy Flow conversion rates (many) ● FOP details (many)



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Does one version Google Play Billing still make sense?



Random flashlight app



Biggest global M&E
debut in years

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What are we hearing from devs?

Theme	[Status] Asks
Platform Fundamentals	<ul style="list-style-type: none"> ● Better Conversion / Initial Auth (Many) ● Churn Rates (All) ● FOP Coverage (Many, esp. in APAC, MENA, LATAM) ● Fraud Concerns (D+, ESPN, NimoTV, Viber) ● [REDACTED] (NBA, [REDACTED]) ● More Flexible Tax Control (EU News/Books Apps, EU Competitors of Spotify/Netflix)
Flexible Price / Offer / Promo Strategies	<ul style="list-style-type: none"> ● <u>Prepaid Subs</u> (Spotify, YT, APAC Devs) ● Bundles / Add Ons (Sling, Hulu, D+, Canal+, YT) ● Promo code support beyond free trials (Available on iOS) ● Opt-out price increases (Sling, Hulu, D+, YT) ● Dev-Determined Eligibility for Trials (Sling, Hulu, YT) ● Dev-Determined proration strategies, new proration modes (Sling, Hulu, YT, Age of Learning) ● FOPless Free Trials (Nest, G1) ● Carrier / Partnership Deals (Spotify, G1, YT, Playpass)
Multi-Platform Development / User Experiences	<ul style="list-style-type: none"> ● Minimal catalog / offersyncing, aka Per Transaction Pricing (Sling, Hulu, Hotstar, YT) ● Easy x-platform upgrade/downgrades (Spotify, Netflix, YT) ● Developer's own sub center as source of truth (Spotify)
UX Control	<ul style="list-style-type: none"> ● FOP controls like ordering & curation (Spotify, APAC subs devs, YT) ● In-app cancel + dev-controlled interventions (Spotify, YT)
Data / Insights	<ul style="list-style-type: none"> ● Buy Flow conversion rates (many) ● FOP details (many)

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Improve the
fundamentals for
all developers,
regardless of size

"Advanced" GPB
program unlocks
add'l features

Let's discuss...



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Introduce Advanced GPB

GPB

Majority of
devs

Focus on making a great app - we'll handle the rest

- **Who:** Unmanaged partners
- "Off the shelf" Play Billing

Advanced GPB

Advanced flexibility & control **within** GPB

- **Who:** Managed Partners and/or eligible for BD programs (eg. Hug, LRAP, ADAP, Accelerators, etc)
- Eligibility for program dependent on demonstrated sophistication and agreement to uphold user trust principles
- Aligns with other Play strategies to segment developer support (eg. GP3, BD Partnership Tiers)

What kinds of features will be limited to "Advanced GPB"?

- *Require strong developer trust & clear alignment on user trust principles*
- *Only make sense for developers with size & scale*
- *Operationalizing feature at scale is hard, so need to initially limit rollout*
- *BD-program specific use case*
- *Mitigates risk for Play by limiting to smaller number of very trusted developers*

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Expansion of m-GPB to 25M min for YouTube portfolio inclusion

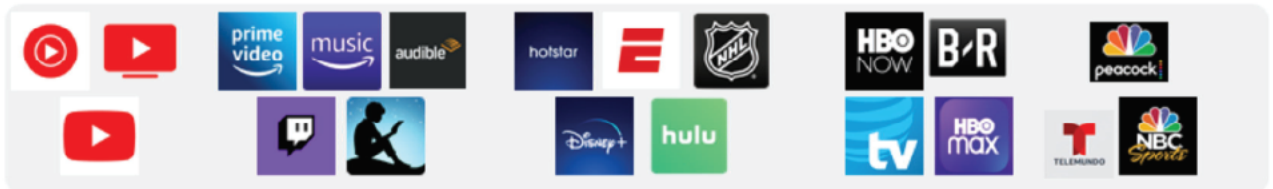
>100M subscribers
No applicable child apps



>25M subscribers



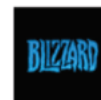
Child apps



Games platforms
at 25M subscriber
count



Games that could
achieve 25M subs



Other potential
qualifiers



Apple



Jio



Google logo: 1. Confirmed and proprietary as of

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Top Subscriber bases globally (May 2020)

Digital goods

Publisher	Subscribers	Notes
Microsoft Office	214 M	Large B2B portion
Netflix	182 M	
Spotify	124 M	
Xbox Live	64 M	Have a companion app on Play that does not monetize
Apple (Music + iCloud + Apple TV)	> 60 M	Apple Music @ 60M, likely more with iCloud + Apple TV
Amazon (Prime Music + Video + Audible + Twitch Kindle Underground)	> 55 M	Includes users on base tier of Music who get it with Amazon Prime
Disney+	50 M	
Playstation Plus	39 M	Have a companion app on Play that does not monetize
Hulu	30 M	
YouTube (TV, Music / Premium)	25 M	
Google One	18 M	
Dropbox	14 M	
Match Group	10 M	
Hotstar	10 M	
Xbox game pass	10 M	
Pandora	7 M	
Fortnite	Unknown	5M Battle Passes sold on 1st day of Season 3; not a subscription, but could convert to it

Yellow highlight denotes cut-off for min qualification for active subs globally

Physical goods / non-digital services (Do not qualify for GPBP)

Publisher	Subscribers	Notes
Jio	387 M	Owns some digital services
Verizon	154 M	Owns some digital services
Amazon Prime	150 M	
		Also owned by Pandora, who has 71M subs;
Sirius XM Radio	31 M	Sirius is consumption only on Android
Comcast	22 M	Owns upcoming SVOD service Peacock

Google_tag: 1 Confirmed and Proven by 2019

- Data collected for top subs:

https://docs.google.com/spreadsheets/d/1fxYYEJopoZv84IS0cjsZn2Ujl_NnvBOupBDtG1jwy8/edit?ts=5ec2d5bc#gid=0

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Per-Transaction Pricing offers huge flexibility

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What is it?

- Developer has complete control over pricing schedule



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Thinking through apps devs (Danielle's scratch pad)

Developer segment	Which would clamor for mGPB & Would we be tempted / feel pressured to give it to them?
Sophisticated partners who are GPB compliant but would value additional flexibility	<p>Group 1: aGPB functionality would satisfy them; qualify for economic program to reduce economic advantage of mGPB</p> <p>Group 2: Might be interested in mGPB but subscriber #s are way below 100M (e.g. Pandora) so mGPB feels defensible</p> <p>Group 3: Interested in mGPB and close to 100M....holding them off would be hard (e.g. Disney - though aGPB functionality would satisfy them)</p>
Holdout partners whose concerns have primarily been economic and capability related	<p>Group 1: Qualify for economic program to reduce economic advantage of mGPB, aGPB functionality goes a long way to help their primary product concerns, subscriber #s way off 100M, so feels defensible (e.g. mostly addressed by AVP, LRAP, ADAP, BCAP)</p> <p>Group 2: Qualify for economic program to reduce economic advantage of mGPB, aGPB functionality goes a long way to help their primary product concerns, subscriber numbers are closer / approaching 100M so holding them off would be harder (e.g. Amazon)</p>
Policy agitators against exclusive use of GPB. Agreeing to use AGPB or MGPB (especially before Sept 2021) may undermine their legal arguments	<p>Qualify for mGPB: For this group, still unclear if mGPB is even sufficient. Spotify, Netflix</p> <p>Don't qualify for mGPB Kobo, Match, KR apps, IN apps (All are way below 100M subscribers, so feels defensible. Even getting mGPB might not satisfy their underlying expectation to sustain business model)</p>



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Slide 18

- 4 @Carol Kang (Google) @Sarah Karam (Google) any partners you can think of in this group? This is one of the groups that feels "risky" from the sense of what YT's poking at
- I'm guessing Disney.
Danielle Stein, 11/6/2020
- 3 AGPB may not be sufficient for Amazon. They may require something like modular. And they definitely will escalate if they see Spotify or Netflix with modular. Disney (inclusive of Hulu, ESPN and Hotstar) will likely be satisfied with AGPB, but when they see Spotify, they will want to know why they didn't qualify for modular. I do think we need to have a strong narrative on why Spotify and Netflix are the only two that qualify for partners. @mloew@google.com for thoughts
Carolyn Kang, 11/6/2020
- 1 amazon, epic, msft, match might all feel like they can claim they are big enough if you combine their various digital products
Sarah Karam, 11/6/2020
- 2 @Carol Kang (Google) @Sarah Karam (Google) here's another "risky" group. Can you help me populate this one?
Danielle Stein, 11/6/2020
- 3 Match is at 10M I believe. (Put Sams old analysis in back of appendix). With MSFT and Amazon they're largely B2B and physical bundles respectively, but it would in fact be a difficult convo
Danielle Stein, 11/6/2020

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